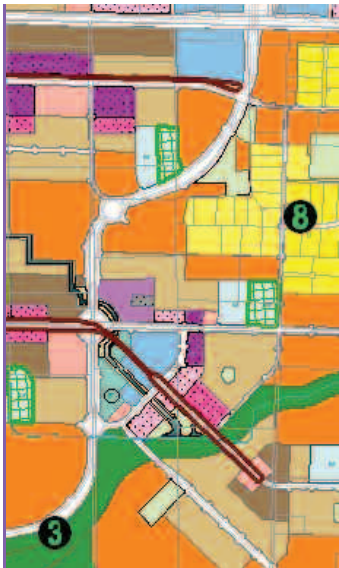




SECTION 10
IMPLEMENTATION



INTRODUCTION

The implementation chapter provides a framework to assist in carrying out the Coyote Valley Plan. It is anticipated that sufficient economic growth and demand for housing would occur over the timeframe of this Plan to make its proposals a reality.

The Plan attempts to anticipate the future needs of the City and direct development to meet those needs, while supporting a thoughtful, phased approach to achieving the Plan's long-term goals.

With a unified plan that outlines key principles for development, development in the area can be guided to establish a high quality, urban, living and work environment. This Plan would be realized as properties develop and redevelop in accordance with the Plan's policies. The establishment, through the Plan, of

a new well-planned, transit-oriented development community based on tested smart-growth principles would support investment and the implementation of the Coyote Valley Plan.

The framework contains six components:

- Land Use Regulation
- Implementation Policies/Action Plan
- Incorporation into/Consistency with General Plan
- Consistency with other City Policies and Programs
- Administration of the Coyote Valley Plan

LAND USE REGULATION

The Coyote Valley Plan is a long-term plan providing direction for the future development of the area. The Plan is incorporated into the San José 2020 General Plan and therefore, covers the same time frame as the General Plan. This section provides additional policy guidance necessary to implement the Coyote Valley Plan over the entirety of this timeframe. The issues covered in this section include existing uses, interface issues, and master planning, and timing of development:

Existing Uses

The Plan allows existing land uses in the Coyote Valley area to remain indefinitely, recognizing that implementation of the Plan would gradually occur over a period of years. As these existing uses age or as their economic value is reduced, it is expected that they would be replaced by the uses designated in the land use plan. To encourage this transition from existing to planned land uses, the implementation policies seek to limit the remodeling or expansion of existing buildings into interim uses or uses that are not consistent with the Plan, consistent with maintaining the viability of existing uses.

Existing Entitlements

In 1984 the City Council approved a Planned Development Zoning (PDC84-094) for the Sobrato property (located on the southeasterly corner of Santa Teresa Boulevard and Bailey Avenue) for approximately 200 acres of campus industrial use.

In 2000, the City Council also approved a Planned Development Zoning (PDCSH99-06-053) and Development Agreement for the Coyote Valley Research Park (CVRP/Cisco) project for 6.6 million square feet of campus industrial use to accommodate up to

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20,000 employees. Flood control, water supply, Highway 101 and Bailey Avenue improvements were all required and implemented to support this project.

Interface Issues

The implementation policies are designed to help ensure the achievement of the major goals of the Plan, including: the preservation of the existing Dougherty Avenue and Lantz Drive neighborhood, the development of appropriate uses in the vicinity of the Metcalf Energy Center power plant, the preservation of land currently owned by industry-driving businesses for industrial use, and the promotion of a high quality industrial/office environment at gateway locations from Highway 101, the intensification of and vertical mixing of appropriate uses along the fixed transit guideway, and the creation of a new, high density residential and mixed use community that is “pedestrian-friendly” and “transit-friendly,” and properly integrated into cohesive neighborhoods. The Plan needs to address the development of compatible interfaces between each of these areas and in particular between new residential or mixed-use development and existing residential neighborhoods.

Regardless of the timeframe, various land use interfaces should be treated with care to avoid potential adverse impacts. The interface between the Lantz Drive and Dougherty Avenue neighborhoods and proposed adjoining land uses must be treated carefully to maintain existing neighborhood character, including single-family character.

Master Planning

To ensure that the Coyote Valley Plan is efficiently and effectively implemented, the Plan calls for the master planning of certain key sites. These sites represent areas that can benefit from more detailed analysis and more specific development plans to achieve the objectives of the Coyote Valley Plan. Master planning also provides an opportunity to determine specific circulation and access points, and to resolve interface issues with existing residential neighborhoods.

For specific properties the master planning should consist of a single site Master Development Permit. A master plan should be prepared for each of the following geographic areas (see Figure 36).

1. The proposed Caltrain station on Monterey Road and adjoining properties.
2. The Central Commons, with its constituent land uses, bounded by the loop/oblong street, and extending from the westerly hillsides to those on the east.
3. The proposed realigned Fisher Creek and adjoining riparian corridor.
4. The proposed 52-acre lake and adjoining amenities including the International Park and Garden and the Lakeshore Promenade.
5. Vacant properties owned by IBM that adjoin the existing IBM campus northerly of Bailey Avenue.
6. The proposed 60-acre campus with two high schools and joint-use amenities.
7. Properties along the westerly interface of the Coyote Creek corridor.
8. Any proposals to subdivide existing individual parcels in the Lantz Drive and Dougherty Avenue neighborhoods should be accommodated consistent with an approved master plan, which illustrates subdivision of a block or other cohesive unit of the neighborhood and the required public right-of-way.
9. The Hamlet and adjoining historic district and its connections to properties across the street to the west of Monterey Road.

In order to illustrate a possible approach to the master planning of these sites, the CVP includes the following design parameters and concepts for the area between Monterey Road and Coyote Creek (see #7 above):

Design Principles for the East Side of Monterey Road

The “crown jewel” of the Coyote Valley is the Coyote Creek Corridor and County Park, which should be protected and enhanced as a part of the implementation of the Coyote Valley Vision. Ecology should be linked carefully with urban development to create sustainable neighborhoods along the east side of Monterey Road. The Coyote Creek Corridor habitat provides valuable visual/aesthetic resources, water quality protection, recreational resources and a unique opportunity to promote environmental education and preserve natural habitat for native fish and wildlife. The visual, aesthetic and natural resource qualities of the Coyote Creek Corridor should be incorporated into development projects to preserve them for the benefit of the community.

A continuous rural character frontage road should be setback at least 100 feet from the top of the creek bank or the edge of the riparian plant community whichever is greater, and all of the City's Riparian Corridor Policy Study requirements should be met to ensure maximum protection to the corridor. On-street parking on the west side and a detached trail along the east side of the frontage road should be provided. Buildings should be limited to two-stories along the west side of the frontage road, and three and four story buildings may be gradually stepped back to the west. There shall be no urban development on the east side of the frontage road, and the land within the 100-foot riparian setback shall be landscaped with riparian vegetation and dedicated to the County. Riparian plant materials should be used for all development along the Coyote Creek frontage road, and occasional inlets of meandering riparian park strips should be interspersed within the development areas connecting to the focal point neighborhood park areas to mimic the character of the natural riparian corridor. Street lighting and site activities should be oriented to draw light and activity away from the riparian corridor along the frontage road and away from the creek corridor.

FIGURE 34: EAST SIDE OF MONTEREY ROAD

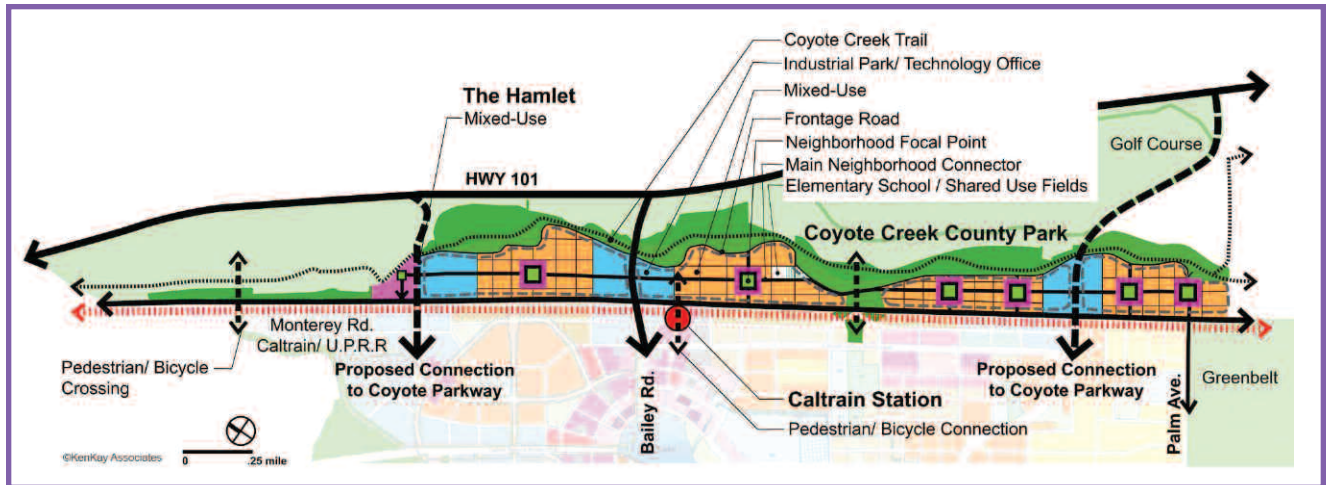


FIGURE 35: COYOTE CREEK SECTION

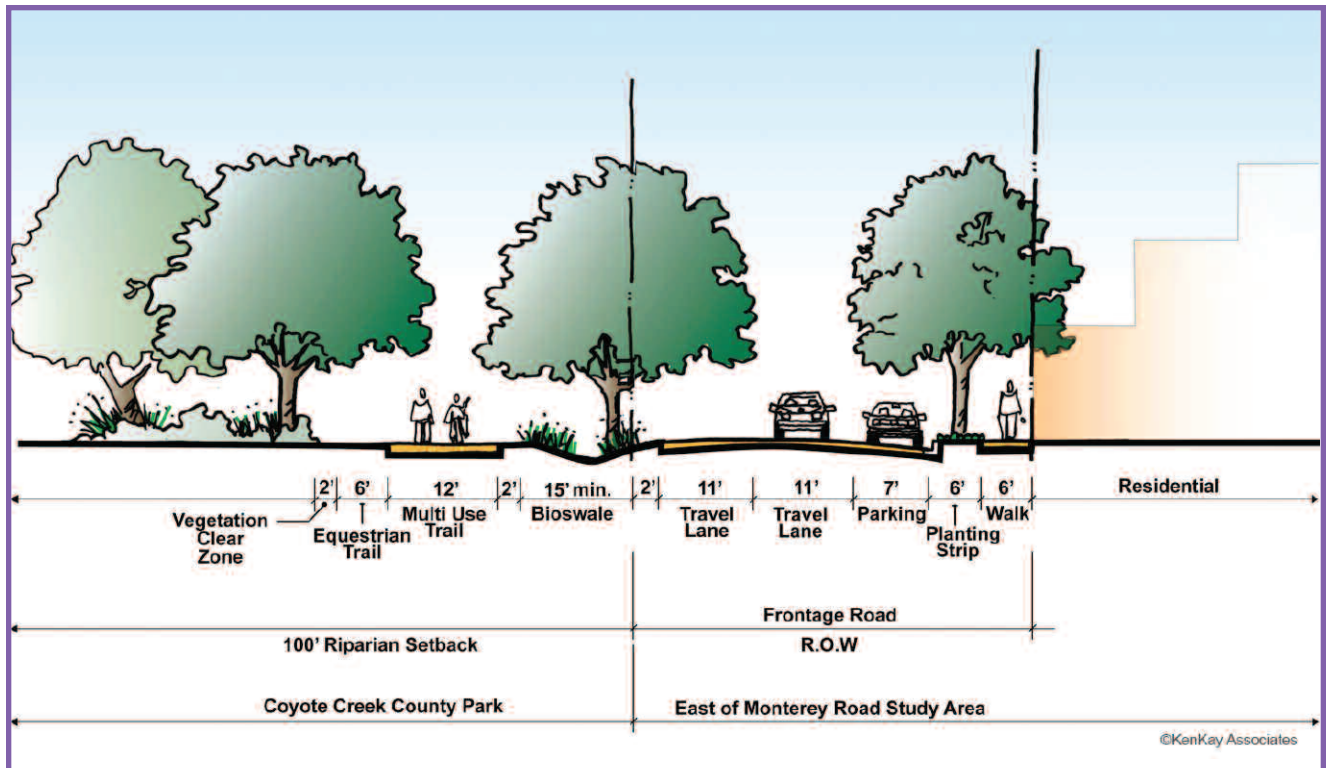


FIGURE 36: MONTEREY ROAD SECTION

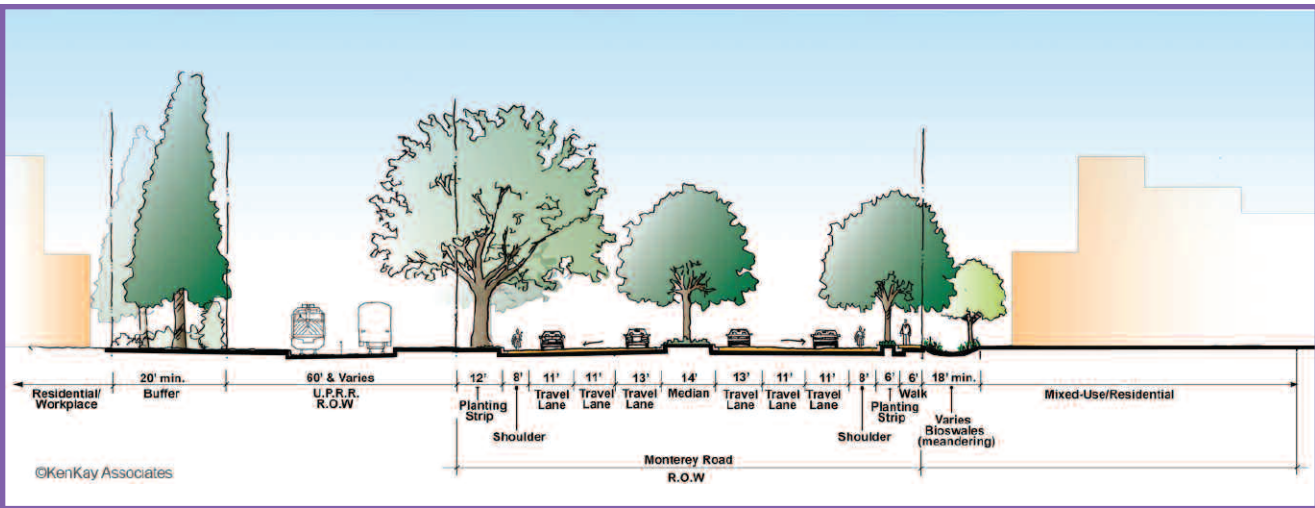
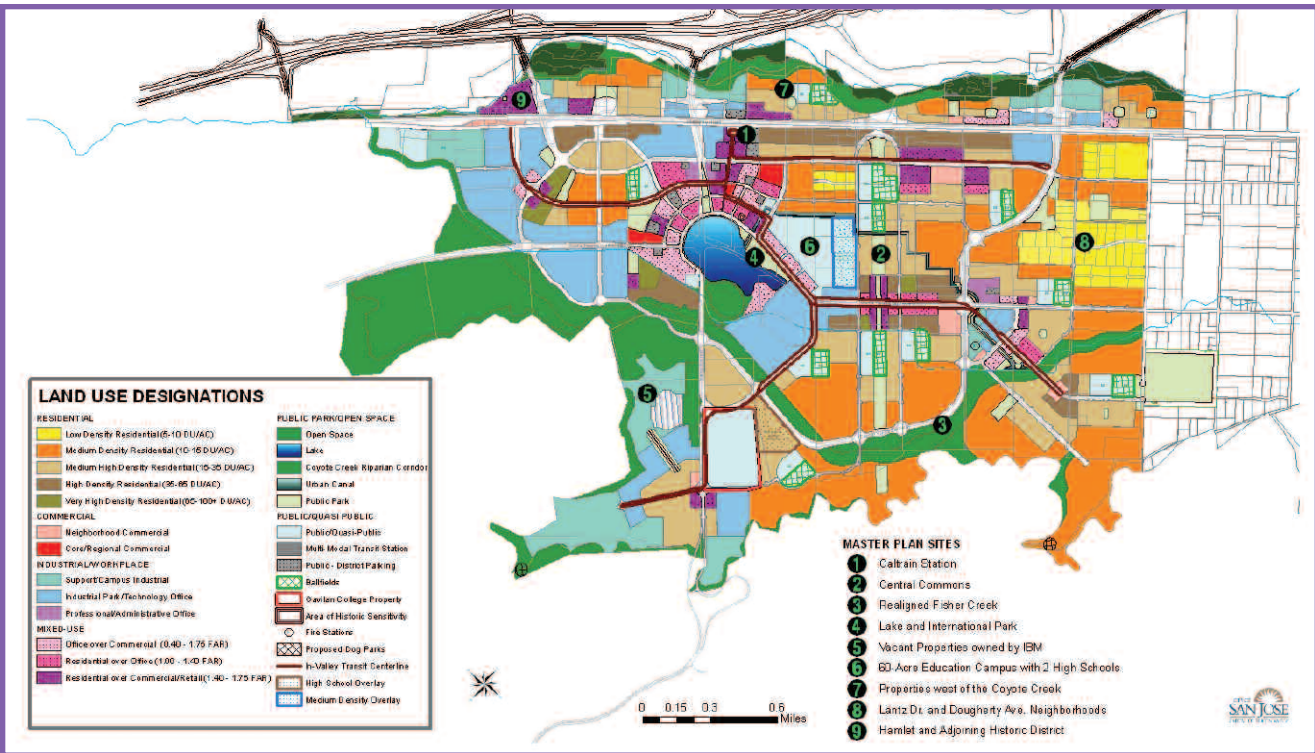


FIGURE 33: MASTER PLAN SITES



An interconnected street circulation system including a main collector “green street” with agricultural-style plantings (i.e. Cherry trees) should connect to smaller local streets with neighborhood focal points on the east side of Monterey Road. Mixed-use should be concentrated around small parks as focal points along the main collector street, providing neighborhood identity and creating a strong sense of arrival and identity for the neighborhoods. New development should respect cultural landscape and integrate the Hamlet, orchards and historic trees and homesteads.

Design Concepts for Monterey Road

Monterey Road should be designed as a grand Walnut tree-lined boulevard and the historic Keesling’s trees should be preserved. The corridor should integrate pedestrian and transit-friendly circulation and include safe crossings between the east and west side neighborhoods. Traffic calming measures should be employed where possible. A convenient and efficient pedestrian and bike connection should be created to the Cal train Station and the open space network along the Coyote Creek Corridor. Architectural variation and connection along and across Monterey Road should be encouraged.

Timing

Implementation of the Coyote Valley Plan would take both perseverance and patience, since it may take 40-60 years to accomplish all the elements envisioned in the Plan. The following policies are intended to help keep the plan “on track” and to smoothly guide the transition from existing to planned uses. These policies and strategies should be used in conjunction with the goals and objectives and other policies of the Coyote Valley Plan.

AFFORDABLE HOUSING IMPLEMENTATION STRATEGY

Background

The impetus for the Coyote Valley Plan affordable housing strategy was the City Council’s Vision and Expected Outcomes for the Coyote Valley Plan which includes requirements for the development of at least 25,000 housing units at build-out of Coyote Valley, and that 20% of all the housing units be “deed restricted, below market-rate units.” With these requirements, Coyote Valley has the capacity to provide a significant affordable housing stock in excess of 5,000 units.

The main tenets of the strategy evolved from several outreach meetings including the CVP Task Force, the City’s Housing Advisory Committee, and CVP Housing Focus Group. Input was derived on a number of issues such as the need to: 1) distribute affordable units throughout the community and to discourage their over concentration at a few locations; 2) assist non-profit affordable housing developers with the “gap financing” that exist in the entitlement and construction cost of extremely-low and very-low income units (see Appendix 3, CVP Affordable Apartment Financing Gap Analysis by Economic and Planning Systems, January 23, 2006); 3) avoid relegating the building of affordable units to the last phases of CVP’s development, and ensure

that units are constructed simultaneously, or within a reasonable timeframe, with market-rate development; 4) ensure the diversity of tenure in the affordable housing stock with a recommendation of a hard 80/20 ratio for rental and ownership units respectively; and 5) devise a mechanism which ensures equivalency between payment of in-lieu fees and the actual cost of subsidizing the construction of affordable units.

Vision for Affordable Housing

The vision for Coyote Valley is: to create a healthy and memorable community where residents of all incomes, races and ethnicities, education and occupation have reasonable access to affordable housing that is phased over time and distributed throughout the community with good access to transit, schools, parks, trails and open spaces, and other community amenities, and to facilitate the development of an affordable housing stock where differences in unit size, tenure, and income eligibility would contribute to community diversity, and provide a building block for a stronger, healthier, and more dynamic and interesting Coyote Valley community, so that each individual and the community at large can realize their full potential for maximum productivity and livability. The CVP affordable housing

strategy, as derived from this vision, is conceived as a dynamic and financially feasible approach to providing affordable housing for the future residents of Coyote Valley over the next 40 to 60 years.

Goals and Objectives

The goal of the affordable housing strategy is to define clear implementation policies to meet the 20% affordable housing requirement (“deed restricted, below market rate”) for the Coyote Valley Plan (CVP) with the following objectives:

- Provide a mix of housing opportunities affordable to persons of Extremely Low-Income (ELI), Very Low-Income (VLI), Low-Income (LI) and Moderate Income (MOD) units using the City’s current ratio of production goals (minimum 60% ELI/VLI, minimum 25% LI and maximum 15% MOD) as a guide for Coyote Valley.
- Encourage the development of both rental and ownership affordable housing products in Coyote Valley, and include policies to ensure the long-term sustainability of both tenancies.
- Encourage the distribution of the affordable housing units throughout the Coyote Valley community and

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their integration with other housing products. Discourage the relegation and disproportionate concentration of affordable housing on the least desirable sites in terms of transit accessibility, proximity to community resources and noise impacts.

In this regard, the City's Housing Department will work with affordable housing developers to determine the appropriate mix (family, seniors, SROs, etc.) when overall development begins based on their current priorities. In addition, the Director of Housing is able to change the mix of housing affordability over time (given changes in the economics of affordable housing, ease of implementation, etc.) as necessary, with appropriate public outreach to the affordable housing community.

- Provide design guidance to future affordable housing developers by identifying building typologies (including non-traditional forms such as Single Room Occupancy (SRO) projects) within various CVP land use designations that are appropriate for affordable housing.
- Maintain appropriate minimum densities (i.e. 30-45 DU/AC), project sizes (i.e. 100-200 units), and location standards (proximity to transit, schools, parks, services, trails and open spaces, etc.) for 100% affordable multi-family housing projects.
- Encourage development of affordable housing units concurrent with market rate units in each phase of development. However, on some occasions it may be acceptable for affordable units to lag slightly behind if necessary to allow maximum opportunity to line up financing.
- Create objective in-lieu fee criteria applicable to ownership and rental affordable housing units so that it is clear when the payment of fees is warranted, what the appropriate amount is, and develop a procedure for periodic review and adjustment in order to ensure

that the affordable housing goals of the CVP are not compromised.

Regulatory Framework

The following land use and administrative regulations should apply to affordable housing development in Coyote Valley:

- Affordable housing should be allowed in all areas designated for residential and mixed-use purposes, adhering to the allowed development standards in regard to density, setbacks, height and building form.
- Standards for parking, lot coverage, and building profile should promote the urban design ideal of compact, transit-friendly development envisioned by the CVP.
- Performance standards should reflect the principles of good neighborliness, and minimize the potential for negative impacts on adjoining land uses.

- Pursue measures to secure the waiver of taxes charged to new housing that is affordable to extremely-low and very-low income households for the Building and Structure Construction Tax, and the construction portion of the Construction and Conveyance Tax.

- Employ expedited development review processes for projects that include 100% affordable housing.

Affordable Housing Program

In order to realize the City Council's Vision and Expected Outcomes for affordable housing in the CVP, a program needs to be established to ensure the timely provision and implementation of affordable units over the long-term development of the CVP.

The proposed CVP Affordable Housing Program is intended to accomplish the Council's Vision and Expected Outcomes, and addresses issues that emerged from various Task Force,

TABLE 2—AFFORDABILITY GOALS

Affordability Level	Rental Goals 80%	Ownership Goals 20%	TOTAL
ELI	1,500		1,500
VLI	1,400	100	1,500
LI	1,100 (500 inclusionary)	250 (inclusionary)	1,350
MOD		650 (inclusionary)	650
Totals	4,000	1,000	5,000

TABLE 3—RENTAL AND OWNERSHIP GOALS

Affordability Level	Land Bank Rental Goals	Land Bank Ownership Goals	TOTAL
ELI	1,500	n/a	1,500
VLI	1,400	100	1,500
LI	600	n/a	600
MOD	n/a	n/a	0
Totals	3,500	100	3,600

Focus Group and subcommittee meetings, including the following:

- Clear goals for the production of affordable rental and ownership units at specific affordability levels;
- Specific methods for developers to meet their affordability requirements, either through dedicating land to a “Land Bank” and paying in-lieu fees or through an “inclusionary” requirement (as discussed in detail below); and
- An implementation strategy for the provision of affordable units, which addresses phasing, design and location standards, availability of affordable housing subsidies, and a method for establishing the contributions from developers. Following are important details of the proposed Affordable Housing Program:

Affordability Goals

It is proposed that the CVP would have affordability goals for Moderate-Income (MOD), Low-Income (LI), Very Low-Income (VLI), and Extremely Low-Income (ELI) units as shown in Table 2.

Meeting the Affordable Housing Requirement in the CVP

It is proposed that the 5,000 units of affordable housing (i.e., 20% of housing stock) in Coyote Valley would be met as follows:

1. Land Bank and In-lieu Fee

Contribution. All 2,900 VLI and ELI rental units and 600 LI rental units shall be provided through the creation of a “Land Bank” of 88 acres of dedicated land suitable for rental development (see Table 3). In addition, five to seven acres of land shall be dedicated for the creation of 100 units of for-sale housing affordable to very-low income households, preferably by nonprofit developers through “self-help,” “sweat equity,” or other similar

TABLE 4

Affordability Level	Inclusionary Rental Goals	Inclusionary Ownership Goals	TOTAL
ELI	n/a	n/a	0
VLI	n/a	n/a	0
LI	500	250	750
MOD	n/a	650	650
Totals	500	900	1,400

programs. Sites dedicated would be placed into a Land Bank that would be administered by the City, with land made available to affordable housing developers. The sites that are dedicated would be consistent with affordable housing design principles and location criteria determined through the CVP planning process and implemented by phase. The land would be subject to the proportionate share of assessments and fees resulting from the CVP process.

In addition, developers of market rate developments would be required to pay in-lieu fees totaling approximately \$70 million (\$3,500 in 2006 dollars per market rate unit), which in combination with the dedication of land, is estimated to provide sufficient subsidy to fund 3,500 affordable rental units targeted to low- and very low-income households. Fees would take into account present value (i.e. the amount of contributions would be indexed to account for inflation and construction cost over time). Additionally, fees would be established to reflect variations in density, type and cost of market rate housing, and would be scaled to ensure that no economic disincentive is created for the construction of market rental units. Contributions would be “front-loaded” to allow for early development of fully affordable projects. Fees would be required to be paid upon issuance of the final map.

2. Inclusionary. 900 LI and MOD ownership units (see Table 4) would be met by directly incorporating the units into market rate developments (referred to as “inclusionary units”). In addition, 500 LI rental units would be inclusionary. The specific percentage inclusionary requirement for any individual market rate project would be established by the City, based on the expected number and type (i.e. rental vs. ownership) of market rate units at the beginning of each phase¹. Within each phase, developers may combine or “trade” their inclusionary obligations. To help promote the City’s desire for economic integration, however, trading of the inclusionary requirement would not be permitted if it would result in any individual market rate project having greater than 25% of its units as affordable.

Implementation

Several additional issues related to the Affordable Housing Program implementation were discussed with stakeholders and are presented below:

1. Phasing of Affordable Units. It is proposed that the CVP have an Affordable Housing Phasing Plan that ensures that affordable units are built concurrently with the construction of market rate units in the overall CVP. This Plan shall include measures to evaluate progress at each phase to ensure that the affordable rental and ownership housing goals are

¹ Generally, it is presently estimated that 21,400 of units in Coyote Valley would be subject to the inclusionary requirement, of which 16,050, or 75%, is estimated to be for-sale. To realize the aforementioned 900 inclusionary for-sale units for LI and MOD, the requirement for each project would be approximately 6% (900/16,050). Similarly, it is estimated that 5,350 units would be rental housing, of which 500 would be inclusionary rental units. The inclusionary requirement for each rental project, then, would be approximately 9% (500/5,350).

being achieved, on a cumulative basis, and to assess progress toward achieving income target goals. Additionally, the Plan shall provide for flexibility in making modifications over time to adapt to changes in funding programs, economic conditions, and legislation.

2. Design and Location Standards. It is proposed that land to be contributed to the Land Bank either be pre-identified on an Affordable Housing Site Opportunity Map. Affordable housing units in the CVP shall be designed to be indistinguishable from market rate units and located in market rate developments or on sites comparable to market rate developments in accordance with the affordable housing design principles and location criteria established for the CVP.

3. Availability of City of San José Affordable Housing Subsidies in the CVP. It is proposed that City of San José affordable housing subsidies not be available for funding of affordable units in Coyote Valley, except as follows:

- Funding for affordable housing in the CVP is only to be available for deepening affordability of VLI rental units to ELI levels (i.e., the difference between the cost of subsidizing a VLI unit and an ELI unit).
- City funds used for ELI units in Coyote Valley would be subject to the City receiving future tax increment for affordable housing and would be made available through a competitive process with other areas of the City. No

more than 20% of City funding available for affordable housing subsidy City-wide would be spent in Coyote Valley.

4. Developer Requirements. It is proposed that developers be required to make a contribution of land, units, and/or fees equal to an amount that is proportionate with their overall development. Each landowner's "fair share" would be calculated and a credit/ debit balance established. Individual landowner contributions would probably be established through the creation of a Community Facilities District or similar program.

COMMUNITY HEALTH CLINICS IMPLEMENTATION STRATEGY

Background

The Coyote Valley Plan (CVP) will facilitate the development of Coyote Valley into a compact, vibrant, new mixed-use pedestrian- and transit-oriented community. Coyote Valley will retain its scenic beauty and sense of place, accommodate future regional growth, and represent a model of planning and design for environmentally friendly and economically self-sustaining communities.

As part of the planning for the CVP, Working Partnerships USA presented a white paper entitled *Building a Healthy Coyote Valley—A proposal for Community Health Care Clinics*, to the Task Force on September 12, 2005. Based on this presentation and subsequent discussion, the Task Force directed City staff to convene a Focus Group of qualified health care professionals to discuss the vision, objectives and strategies for providing health care services in Coyote Valley.

This document represents the findings and recommendations derived, in large part, from stakeholder input including

the Technical Advisory Committee, and Focus Group meetings. The outreach contributed valuable ideas for the creation of CVP's vision, goals, and objectives for community clinics in Coyote Valley.

Vision for a Healthy Community

Create a healthy and memorable community where residents have access to medical services irrespective of income and health insurance, so that each individual and the community at large can realize their full potential for maximum productivity and livability.

Goals and Objectives

- Ensure access to adequate health care services for all residents in Coyote Valley through the development of two health care clinics:
 - A full service health clinic, and
 - A storefront clinic.
- Maximize the use of all existing public, non-profit, and private health care facilities and resources available to Coyote Valley residents.

- Maximize the ability to leverage federal, state and local funding sources for construction of facilities.
- Locate community health clinics at visible locations in proximity to transit, residential areas and other public facilities.
- Promote the expedited review of development permit applications for the development of health care facilities.
- Encourage good multi-modal accessibility to health care clinics.

Regulatory Framework

- Health care facilities should be allowed in all areas designated for commercial, mixed-use and public/ quasi-public purposes.
- Standards for parking, lot coverage, and building profile should promote the urban design ideal of compact, transit-friendly development envisioned by the CVP.

- Private physicians can also locate in the Coyote Valley urban core and all other areas designated for commercial, mixed-use and public/quasi-public purposes.
- Performance standards should reflect the principles of good neighborliness, and minimize the potential for negative impacts on adjoining land uses.

Potential Implementation Strategy

The following implementation strategy embodies a flexible approach to facilitating the phased delivery of appropriately sized community health care infrastructure to Coyote Valley. It includes the establishment of a Coyote Valley Health Care Foundation, and facilitation of health care clinics in storefront locations in the early development phases.

- Establish a Coyote Valley Health Foundation or Trust (CVHF/T) to oversee the financing, construction, phasing, management, and designation of an operator(s) for health care facilities.
- Set aside one acre of land for the location of a full service community health care clinic (50,000 square feet) in the first phase of development.
- Provide seed money to leverage the financing of the construction of the full service community health care facility in the first phase of development.
- Make provisions for a store front clinic with the Coyote Valley Plan area.
- Provide a challenge grant of up to \$15 million to assist the clinic operator in securing state, federal, or private grants to fully fund the cost of the proposed full service and store front health clinics.
- Administering the seed capital for construction of clinics
- Overseeing the application for grants
- Overseeing selection of clinic operators
- Determining the timing of construction/build out of facilities.

Board members of the Coyote Valley Health Foundation/Trust shall consist of (without the exclusion of other groups):

- Landowner(s)/developer(s)
- Representative(s) from the City of San José
- Health care services advocate(s)
- Working families advocate(s)
- Coyote Valley resident(s), preferably patrons of community health care clinics.

The Coyote Valley Health Foundation/Trust shall also establish a Community Advisory Committee that will be responsible for providing recommendations to the Board. The advisory committee shall include:

- Health care provider(s)—public and private
- Clinic operator(s)
- Health care services advocate(s)
- Board member(s)

Operation of Health Care Clinics

Health care clinics may be operated by a government agency, non-profit organization, a private organization or a combination of these groups. However, the operator or operating partnership must commit to the provision of single tier medical care to all patients regardless of ability to pay. Neither the City of San José nor the CVP landowners shall be responsible for on-going operations of the health clinics.

Governance

A board of directors/trustees shall be appointed for the Coyote Valley Health Foundation/Trust (CVHF/T) with the following responsibilities:

IMPLEMENTATION POLICIES AND STRATEGIES/ACTION PLAN

The Coyote Valley Plan contains specific policy direction for overall community character, future land uses, and long term development of Coyote Valley. With these policies, the Plan seeks to achieve a particular vision that respects Coyote Valley's natural setting. The Implementation Policies identify specific improvement items or strategies that would facilitate the accomplishment of this vision.

Existing Uses/Buildings Policies

Existing Land Uses to Remain. Existing land uses which do not conform to the Coyote Valley Plan, or similar land uses that do not require major new improvements, may remain indefinitely until a property owner wishes to change uses. These existing land uses would not be required to participate in the financing of the backbone and other infrastructure needed for the Plan.

Building Remodeling or Reconstruction.

In general, only minor building improvements for existing buildings or facilities should be allowed. For existing single-family residences, the scale of remodeling is almost unlimited on condition that the use remains for single-family purposes without adding new uses and subdividing existing parcels, and the expansion remains consistent to the applicable zoning regulation. For non-residential uses, any improvements should not change the character of existing structures and, in general, should not add more than 25% to the pre-improvement value of these structures, or more than 10% of the existing floor area whichever is the measure the Director of Planning, Building and Code Enforcement deems most appropriate.

Potential Subdivision of parcels at Lantz Drive and Dougherty Avenue.

Any proposals to subdivide existing individual parcels in the Lantz Drive and Dougherty Avenue neighborhoods consisting of 40 and 8 residences respectively, should only be accommodated consistent with an approved master plan which illustrates

subdivision of a block or other cohesive unit of the neighborhood and the required public right-of-way. Potential subdivisions must be consistent with the Coyote Valley Plan as well as the approved zoning. New subdivisions would also be required to pay their fair share of the "infrastructure costs" consistent with the financing plan approved for the Coyote Valley Plan.

Exact Replacement of Legal Structures.

Specific protection exists in City regulations for the replacement of structures after a catastrophic event if the structures contain uses, which do not conform to existing zoning. The Coyote Valley Plan provides similar protection to existing areas, which may not be consistent with the specific land use designation. This policy does not cover the deliberate destruction of structures to make way for new construction inconsistent with the Plan. Such construction would constitute a significant investment, which could not be amortized very quickly and would inhibit the reuse of the site for the planned use in the short term.

Temporary Uses of Vacant properties.

This policy provides flexibility for vacant sites to accommodate short term, low intensity uses such as small scale agriculture, plant nurseries, farmers' markets and seasonal sales, etc. Allowed temporary uses should generally not be capital intensive, should not involve substantial investments that would require several years to amortize prior to the site transitioning to uses consistent with the Plan, and should not require urban services to operate. Minor structures,

which are incidental to the successful operation of the temporary use, such as small storage sheds, etc may be approved with the temporary use. The Coyote Valley Plan zoning code would elaborate on the permitting requirements for temporary uses, some of which may involve Conditional Use Permits.

Landscaping and Off-Site Improvements.

The City should continue to require and accept dedication, or offers of dedications, for major remodeling or minor expansions of existing industrial and commercial uses wherever the Plan requires expanded public rights of way. The remodeling of single-family residences would generally be exempt from this requirement.

Public Park/Open Space Acquisition Policies

This Plan identifies potential Public Park/Open Space sites in the specific land use plan but the Plan recognizes that flexibility would be necessary in the City's efforts to create parks particularly given the multitude of property ownerships and the consequent difficulty in assembling such parcels for park acquisition. It is expected that the proposed parklands would be included as backbone infrastructure in terms of parcel assemblage and acquisition. While the City's preference is to avoid condemnation and allow property transactions to occur on the open market, it may be necessary to exercise the City's power of eminent domain, as a last resort effort, should it be determined that doing so would advance the goals and integrity of the Plan.

Backbone Infrastructure Improvement Policies

This Plan includes a Composite Core Infrastructure of blue, green and mobility infrastructure elements. Various components of these elements constitute significant infrastructure that should be implemented comprehensively for an orderly development of the Plan. These significant elements are called Backbone Infrastructure. Similar to the approach with parks, the City's preference is to avoid condemnation and allow market place transactions for properties required for the Backbone Infrastructure. However, on occasion, it may be necessary to exercise the City's power of eminent domain, as a last resort effort, should it be determined that doing so would advance the goals and integrity of the Plan. Given the significant expenditure involved in developing the Backbone Infrastructure, staff would urge the development community to explore various methods to create "upfront" funding for the purpose of right-of-way acquisition for Backbone Infrastructure improvement in the Coyote Valley area.

Common In-Tract Improvements and Amenities Policies

When development is proposed in the Plan area, City staff should identify all those off-site improvements and amenities called for in the Plan (or that may be identified as part of a subsequent Master Permit) which are proximate to

the development site and/or would serve the future residents and users of the site, and should, with the applicant, consider how best they might be provided. These In-Tract improvements, such as streets, common open space, etc., should be financed and built by property owners proposing new development.

School Financing Policies

The Plan includes nine elementary schools, two middle schools, and one 60-acre site envisioned with two high schools sharing joint-use facilities or two high schools on different campuses through the use of overlay designations. The CVP staff and Morgan Hill Unified School District worked closely during the planning process on the applicable student generation rates, and locations and sizes of these schools. While the Plan sets the vision for schools in Coyote Valley, it is not intended to layout a detailed financing plan for the acquisition and improvement of schools. It is the responsibility of the MHUSD and the development community to develop the financing and phasing plan for the development of schools in Coyote Valley, which is anticipated to be completed in about one year after adoption of the Plan.

Environmental Mitigations/ Interfaces Policies

Residential/Non-Residential Land Use Conflict Mitigation

New residential development should mitigate potential land use conflicts

with existing industrial and commercial uses by locating driveways and parking areas adjacent to these uses to create effective on-site buffers.

Lantz Drive and Dougherty Avenue Neighborhoods Mitigation

New developments should provide adequate mitigation for nearby existing or planned residential uses by locating noisy activities or operations away from residential property lines or by providing effective buffering and landscaping solutions.

Hazardous Materials Mitigation

A soil and/or groundwater analysis should be prepared prior to new development in areas where there has been prior hazardous materials use or storage to determine the extent of contamination and to identify necessary mitigation measures. Hazardous materials or contaminants should be satisfactorily eliminated before allowing the conversion of these sites to urban uses.

Archaeological Resources Mitigation

New development should be required to conduct archaeological testing and, if necessary, more detailed in-field hand excavation and archaeological monitoring if archeological resources are discovered.

INCORPORATION INTO/CONSISTENCY WITH GENERAL PLAN

Coyote Valley Plan

The Coyote Valley Plan is consistent with the *San José 2020 General Plan*. The Coyote Valley Plan is a separate vision document that describes the background, goals and objectives, and community character for the Coyote Valley area beyond the scope of the General Plan.

General Plan Major Strategies

The Coyote Valley Plan is consistent with the seven Major Strategies, or central themes, of the General Plan: Economic Development, Growth Management, Downtown Revitalization, Urban Conservation/Preservation, the Greenline, Housing and Sustainable City. The Major Strategies provide a broad framework that allows consistent interpretation and application of the General Plan's individual goals and policies. The Coyote Valley Plan furthers the Major Strategies by applying the principal objectives of these strategies to the planning of the Coyote Valley area.

The Coyote Valley Plan advances the Economic Development Major Strategy by maximizing the economic potential of the Coyote Valley area's commercial, industrial and mixed-use lands and by

supplying housing and employment for the City's labor pool and better connecting the new and existing housing in Coyote Valley and South San José to the new employment centers. It implements the Growth Management Major Strategy by promoting high-density, transit-oriented development to ensure the efficient delivery of urban services to future residents, and the preservation of the South Coyote Valley Greenbelt.

The Downtown Revitalization Strategy is addressed by recognizing the preeminence of the Downtown as the cultural hub of the City, and not including land uses such as sports arenas that belong more in the City's downtown core. The Coyote Valley Plan furthers the Urban Conservation/Preservation Major Strategy by preserving the character and integrity of the Dougherty Avenue and Lantz Drive residential neighborhoods, and the Hamlet of Coyote by incorporating supporting land uses in the Land Plan that seek to respect the integrity of the surrounding neighborhoods, and by promoting the residents' pride in the quality of their living environments. The Coyote Valley Plan implements the Greenline/Urban Growth Boundary

Major Strategy by using an efficient land use plan that maximizes the development potential of lands, preserves the Greenbelt and surrounding hillsides, and protects watersheds, habitat, and recreational opportunities. The Housing Major Strategy is implemented by striving to provide a variety of housing opportunities (20% of which would be units affordable to lower income persons) for all the economic segments of the community close to jobs and urban services. The Sustainable City Major Strategy is supported by the Coyote Valley Plan since it would improve energy efficiency by encouraging transit use and a compact form of development, by using limited land resources efficiently, and by minimizing wasteful consumption of resources, especially water.

Goals and Policies

The Coyote Valley Plan is consistent with and reinforces the goals and policies of the General Plan and therefore, enhances the internal consistency of the General Plan as a whole. The goals and policies of the Coyote Valley Plan "nest" within the goals and policies of the General Plan but are more narrowly defined to ensure proper implementation of the Coyote Valley Plan.

CONSISTENCY WITH OTHER CITY POLICIES AND PROGRAMS

The Coyote Valley Plan is consistent with other City policies and programs including but not limited to the Riparian Corridor Policy Study, Post-Construction Urban Run-off Policy, and the Consolidated Housing Plan.

Riparian Corridor Policy Study

This Council adopted Study requires that all buildings, structures, impervious surfaces, outdoor activity areas (except for passive or intermittent activities) and ornamental landscaped areas should be separated a minimum of 100 feet from the edge of any riparian corridor (or top of bank, whichever is greater). The Coyote Valley Plan is consistent with the Riparian Corridor Policy Study by identifying appropriate land uses, setbacks, and design guidelines for properties adjacent to the Coyote Creek, and other waterways.

Post-Construction Urban Run-off Policy

The Federal Clean Water Act requires local municipalities to implement measures to control pollution from their storm sewer systems to the maximum extent practicable. Under the auspices of the Clean Water Act, as well as other Federal and State legislation since 1990, the San Francisco Regional Water Quality Control Board (RWQCB) has issued and reissued an area-wide National Pollutant Discharge Elimination System (NPDES MS4) Permit to the fifteen Co-permittees of the Santa Clara Valley Urban Runoff Pollution Prevention Program (SCVURPPP) for the discharge of storm water from urban areas in Santa Clara County. The fifteen SCVURPPP Co-permittees are the City of San José, twelve other municipalities within the Santa Clara Basin watershed area, the County of Santa Clara, and the Santa Clara Valley Water District. Under the provisions of the SCVURPPP Permit, each of the Co-permittees, including the City of San José, is required to ensure the reduction of pollutant discharges

from new and redevelopment projects, to the maximum extent practicable, through incorporation of treatment and other appropriate source control and site design measures. The SCVURPPP NPDES Permit New and Redevelopment permit provision further establishes minimum design criteria and maintenance requirements for such measures in certain types of development projects.

It is the purpose of this Policy to establish an implementation framework, consistent with SCVURPPP NPDES MS4 Permit requirements, for incorporating storm water runoff pollution control measures into new and redevelopment projects to reduce storm water runoff pollution from such projects to the maximum extent practicable.

The Policy requires all new and redevelopment projects to implement Post-Construction Best Management Practices (BMPs) and Treatment Control Measures (TCMs) to the maximum extent practicable, and establishes specified design standards for Post-Construction TCMs for applicable projects defined as:

“New development project that creates ten thousand (10,000) square feet or more of Impervious Surface Area; new streets, roads, highways and freeways built under the City’s jurisdiction that create ten thousand (10,000) square feet or more of Impervious Surface Area and Significant Redevelopment Projects.”

Consolidated Plan (ConPlan)

The CHP is San José’s plan for providing

affordable housing using its own and other resources. It describes the housing assistance programs and activities administered by the City’s Housing Department to provide affordable housing opportunities, including the rehabilitation and construction, of affordable housing. Approval of the ConPlan by the Department of Housing and Urban Development (HUD) is a prerequisite for federal funding of local housing projects. The Coyote Valley Plan is consistent with the strategies described in the ConPlan to promote affordable housing.

Council’s Affordable Housing Requirement for CVP

The Coyote Valley area would provide significant opportunities for the creation of new affordable housing pursuant of Council’s 20% affordable housing requirement, and also the innovative affordable housing strategy that has been produced through the planning process. The Coyote Valley Plan is expected to continue to help increase the supply of affordable housing by at least 5,000 units, and by generally increasing the supply of high-density residential units by encouraging development to occur at higher densities. By increasing the overall supply of higher density housing, more affordable housing opportunities can be created since higher density can achieve lower production costs per unit. Finally, the addition of housing units to the San José housing supply should help to alleviate, to some degree, increases in housing sale costs related to the overall shortage of housing throughout the region.

FUTURE FINANCING PLAN

Should the council restart a planning effort for Coyote Valley, a Financing Plan should be a key component. The Financing Plan would determine how private landowners and developers would pay for the required infrastructure and services. The Financing Plan may also consider mechanisms for the ongoing operations and maintenance of public facilities.

The CVP is totally funded by the private development community, and the operation and maintenance of its infrastructure and services must remain fiscally sustainable for the City. Preliminary financial and fiscal analyses on the plan indicate its feasibility and long term fiscal benefits to the City. A detailed financial plan would be prepared for the CVP subsequent to adoption of the Plan, and is expected to

include the necessary mechanisms to finance the implementation of the project. These mechanisms are expected to include Community Facilities Districts and Landscape and Lighting Districts, as well as mechanisms for direct funding or in-kind provision of properties or facilities.

ADMINISTRATION OF THE COYOTE VALLEY PLAN

This section explains the process for maintaining and amending the Coyote Valley Plan. Any proposed amendments to the Coyote Valley Plan must be consistent with the goals and objectives of the San José 2020 General Plan.

Modifications to the Plan

The Coyote Valley Plan represents a long-term plan for the Coyote Valley area. Occasionally, it may be necessary to modify some of the components of the

Plan either to reflect changing conditions or to update City goals and policies. Any modification of the Coyote Valley Plan should be guided by the following criteria:

- Any modification should further, and be consistent with, the Major Strategies of the General Plan.
- Any modification should be consistent with the goals, objectives, and policies

set forth in the General Plan and the Coyote Valley Plan, as well as the Council's Vision and Expected Outcomes.

- Any modification on a specific site should be compatible with surrounding land uses.
- Any modification should be consistent with other applicable City policies.

PHASING OF DEVELOPMENT

The form and character of the Coyote Valley Plan is decidedly urban, with even higher intensities of development anticipated at certain focal locations, corresponding to the 50,000 industry-driving jobs, about 26,000 dwellings, and associated capital improvements and community facilities that must be accommodated within its boundaries. These focal locations, comprising workplace and mixed-use nodes and corridors, include six gateway locations at Santa Teresa Boulevard, Bailey Avenue and the proposed Coyote Valley Parkway, Coyote core around the proposed lake, and the Santa Teresa corridor southerly of the lake.

Approach

The Coyote Valley Plan is anticipated to develop over a period of about 40 to 60 years. There is no specific, geographic-based, phasing plan that is typical of the kind of community envisioned for CVP. Rather, the uniform spatial distribution of these nodes and corridors, together with the plan's compact form and overall density, allow for a phasing strategy that is not rigidly regulated to start and grow from one particular geographic location.

Given the scale of the community and the amount of public infrastructure required to serve each phase of development, it is assumed that the Composite Infrastructure Framework will be funded through a combination of upfront developer investments and bond financing vehicles such as CFD's (Mello Roos Community Facilities Districts), or similar mechanisms. These types of funding districts are formed through the voluntary participation of property owners and real property is used as collateral for the bonds. Property owners participating in each phase would be subject to liens on their properties. The amount of funds raised is proportional to the value of land in each phase. Residential land values are expected to be significantly higher than commercial/industrial lands.

Goals to Create a Unique Place

The goals for creating a unique place in Coyote Valley are based on maximum flexibility, reliance on the market demand for various uses, and the readiness of the property owners to build, while ensuring that housing development does not outpace jobs:

- a. Ensure that the character-giving backbone infrastructure of CVP is realized very early in the first phase of development. This includes the proposed lake and International Park, realignment of Santa Teresa Boulevard around the lake, extension of Santa Teresa Boulevard southward from the lake, realignment of Bailey Avenue north of the lake, the Caltrain multi-modal station, portions of the fixed transit guideway through the core and selected areas, and the realignment of Fisher Creek. It is anticipated that the early activation of these character-giving infrastructure elements would present a catalyst for the market place to seek development in the core and to grow organically over time. The goal is to establish an early identity for Coyote Valley in terms of its urban, lake front character, and its work, recreation and lifestyle amenities to help attract both jobs and residents to the community;
- b. Ensure orderly, safe, and logical development;
- c. Activate key nodes and corridors that define the unique community character of Coyote Valley;
- d. Ensure that increments of growth achieve sustainable integrated development by establishing early relationship between land use, transportation, and the environmental footprint;

- e. Ensure that increments of development that proceed ahead the Plan's proposed infrastructure sequencing pay for the cost of extending the core infrastructure to their project, subject to future reimbursement as appropriate; and
- f. Review and monitor increments of growth at the end of each phase to ensure that the allowed jobs/housing concurrency, diversity of housing, affordable housing, and community facilities goals, and other requirements such as project impact mitigations, greenbelt preservation, etc. are being accomplished prior to activating the next phase for residential development.

Implementation Principles

The specific principles to accomplish the goals and guide the implementation of incremental growth of capital improvements, community facilities and private development through the build-out of the Coyote Valley Plan include:

- a. Identify the "trip points" for major infrastructure investments based on the amount of development;
- b. Maximize the use of existing infrastructure capacity and build infrastructure to support additional increments of growth;
- c. Facilitate development by the property owners who are ready to build if they are willing to provide required infrastructure;
- d. Commit to the creation of an urban place;
- e. Grow the community consistent with the environmental footprint;
- f. Construct community facilities and establish public services (e.g., schools, parks, public safety, etc.) to support the working and resident population of each phase;

- g. Ensure that phasing is fiscally sound for the delivery of City services for both operations and maintenance;
- h. Facilitate opportunities for the development of a diversity of housing types/products, and the proportional share of affordable housing in each phase;
- i. Mitigate potential impacts of the project ahead of, or concurrent with, each increment of growth (mitigations, South Coyote Valley Greenbelt implementation, etc); and
- j. Ensure community coherence and sustainability in each phase and build the Coyote Valley community to last.

The Phasing Plan approved by the Task Force is intended to allow a significant portion of jobs and housing to be constructed in Phase I to enable financing of the key “place making” infrastructure in the early stages of the project. Phases I and II each contain 10,000 units and an additional increment of at least 20,000 jobs. Phase III contains the final increment of housing (690 units) and the balance of the jobs (10,000).

The San José 2020 General Plan requires that 5,000 new jobs be created in North Coyote Valley (in addition to meeting

TABLE 5—PHASING PROGRAM

PHASE	CUMULATIVE	
	Minimum Jobs	Maximum Housing
I ¹	20,000	10,000
II	40,000	20,000
III	50,000	25,690

¹ Phase I could allow either sequential development (e.g. 5,000 jobs and 0 housing, followed by 15,000 jobs and 10,000 housing units). Also, an initial phase of 25,000 jobs and 12,500 housing units could be considered if needed to facilitate the financial feasibility of building the place-making elements of the plan.

other fiscal and economic triggers) before any new housing is constructed. The first 5,000 jobs could be served by existing infrastructure. However, the land value associated with 5,000 jobs is not considered sufficient to fund the key “place making” infrastructure and therefore this requirement would likely delay the overall early activation of development of the CVP. Additionally, the construction of mixed-use developments combining commercial and residential uses in buildings would not be permitted until the 5,000 jobs requirement has been met.

Should the City Council decide in the future to modify the requirements contained in the existing 2020 General Plan, this Phasing Plan could also accommodate a concurrent approach

where housing is permitted to move forward together with jobs within the first phase. This approach would provide several benefits, including: 1) help establish the project’s identity as a mixed use community from the outset; 2) provide a funding mechanism to start key “place making” infrastructure; 3) help attract initial jobs to Coyote Valley by providing a ready and diverse supply of housing; 4) reduce traffic congestion on regional roadways by allowing those working in Coyote Valley to live there as well; and 5) by establishing a resident population in Coyote Valley in addition to a workforce, provide support for the early development of a retail base in the community core. However, in June 2007, the City Council indicated that the triggers may only be changed during a comprehensive General Plan update.

ENVIRONMENTAL REVIEW

The San José 2020 General Plan requires the preparation of a specific plan and the satisfaction of certain pre-requisite conditions or “triggers” in order for residential uses to be developed in Coyote Valley. The specific plan would require an Environmental Impact Report (EIR) consistent with the California Environmental Quality Act (CEQA). The EIR will be needed to provide environmental clearance for the adoption

of the specific plan, associated pre-zonings and re-zoning of properties and zoning code changes, the extension of the Urban Service Area (USA) and applicable annexations. Subsequent project-level environmental review, as necessary and appropriate for CEQA compliance, will be necessary before any ground disturbance, construction, or development, including any public infrastructure, can proceed in accordance with the specific plan.

In addition, required regulatory permits from federal and state agencies, including environmental review under both CEQA and the National Environmental Policy Act (NEPA), would be needed prior to any development or construction. The environmental review for the regulatory permits could be done in conjunction with any subsequent project level environmental review.